



PRESS RELEASE

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JURY FINDS SCOTTSDALE MAN GUILTY OF BANKRUPTCY VIOLATIONS

PHOENIX - Andrew Taylor, 51, of Scottsdale, Ariz., was found guilty here on May 13, 2005 by a federal jury of four counts of Bankruptcy Fraud, four counts of False Declarations in a Bankruptcy Proceeding, and one count of Concealing Assets in a Bankruptcy Proceeding.

The evidence at trial showed that Taylor devised a scheme to defraud his creditors and the Bankruptcy Court through filing, over several years, multiple Chapter 13 Bankruptcy petitions with no intention to follow through in bankruptcy or to pay his creditors or the bankruptcy trustee. Taylor did so solely to receive the protection of the automatic stay against those creditors that issued upon each filing. By so doing, Taylor attempted to delay and ultimately defeat his creditors' efforts to collect the debts he lawfully owed them, because each time Taylor filed bankruptcy anew, the stay had the legal effect of sending the creditors back to the beginning of the debt collection or foreclosure process. The evidence showed that Taylor filed six Chapter 13 bankruptcies between 1998 and 2004.

Taylor also defrauded the court and his creditors by omitting the required disclosure of his previous bankruptcies on subsequent petitions, the omission of which was intended to keep the bankruptcy trustee from detecting Taylor's fraudulent pattern. Finally, Taylor was shown to have concealed from the Bankruptcy Court, the trustee and his creditors several substantial assets during the course of his scheme, including a Bede BD-10 jet aircraft worth \$400,000; an interest in a now defunct business known as Automotive Investment Solutions, doing business in Scottsdale as The Car Store; and a secret bank account through which

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several hundred thousand dollars flowed to facilitate the purchase and disposition of the BD-10 and another jet, the business interest, and other property.

Taylor had been charged with violating Title 18, U.S. Code, Sections 152(1), 152(3) and 157. The case was tried before U.S. District Court Judge Neil V. Wake from May 4 through May 12. Sentencing is set before Judge Wake on August 18, 2005. A conviction for each count of the various bankruptcy fraud offenses charged carries a maximum penalty of five years in prison, a \$ 250,000 fine or both.

The investigation leading to the guilty verdict was conducted by the Criminal Investigative Division of the Internal Revenue Service.

The prosecution was handled by John J. Tuchi and John R. Lopez IV, Assistant United States Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-0809-PHX-NVW
RELEASE NUMBER: 2005-097

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